

Message Text

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FM AMCONSUL JOHANNESBURG

TO SECSTATE WASHDC 4123

INFO AMEMBASSY PRETORIA

AMCONSUL CAPE TOWN

AMCONSUL DURBAN

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E.O. 11652: N/A

TAGS: ELAB, ECON, SF

SUBJECT: PUBLIC SECTOR EMPLOYEES (INCLUDING BLACKS) TO MAKE
BIGGEST SACRIFICE IN SAG'S "VOLUNTARY" ANTI-INFLATION CAMPAIGN

1. PRIME MINISTER VORESTER'S AUGUST 27 RADIO APPEAL FOR ACROSS-
THE-BOARD "VOLUNTARY" SUPPORT OF THE SAG'S CONTROVERSIAL AND
LONG-PENDING "COLLECTIVE PROGRAMME OF ACTION TO REDCE THE RATE
OF INFLATION IN SOUTH AFRICA," WHILE ADDRESSED TO ALL SECTORS
OF THE ECONOMY INCLUDING EMPLOYERS AND THE GOVERNMENT, PLACED
PARTICULAR EMPHASIS ON THE NEED FR EMPLOYEES (INCLUDING BLACKS)
TO EXERCISE RESTRAINT IN REQUESTING WAGE AND SALARY INCREASES.
SINCE THE APPEAL CAME AT PRECISELY THE TIME THE COUNTRY'S MORE
THAN 750,000 PUBLIC SERVICE EMPLOYEES WERE CONFIDENTLY EXPECTING
THE SAG TO COME ACROSS WITH SUBSTANTIAL WAGE AND SALARY INCREASES.
IT SERVED THE ADDITIONAL MAJOR PURPOSE I OF INFORMING THESE
EMPLOYEES (INCLUDING OVER 400,000 MOSTLY LOW-PAID BLACKS) THAT THE
SAG HAD DECIDED TO MAKE ITS PRINCIPAL ""SACRIFICE" IN THE
"VOLUNTARY" WAR AGAINST INFLATION AT THE EXPENSE--NOT OF APARTHEID
OR MILITARY PREPAREDNESS OR ANY OF ITS OTHER EXPENSIVE AND UN-
ECONOMIC BUT SACROSANCT PROGRAMS-- BUT OF ITS OWN EMPLOYEES
INCLUDING ITS BLACK EMPLOYEES.

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2. ACCORDING TO TUCSA GENERAL SECRETARY GROBBELAAR WHO ATTENDED THE RECENT MEETING IN PRETORIA AT WHICH MINISTER OF ECONOMIC AFFAIRS HEUNIS ANNOUNCED THAT THE CABINET HAD DECIDED UNANIMOUSLY TO TAKE THIS COURSE OF ACTION, CONFED SECRETARY GROBLER, THE SPOKESMAN FOR THE WHITE PUBLIC SECTOR UNIONS, LOYALLY AGREED ON THE SPOT TO LIMIT DEMANDS FOR WAGE AND SALARY INCREASES FOR NEXT SIX MONTHS TO 70 PERCENT OF COST-OF-LIVING INCREASES (EVEN THOUGH HE LACKED THE AUTHORITY TO COMMIT THE LEADERS OF THE INDIVIDUAL CONFED UNIONS). UNDERSTANDABLY, SOME CONFED LEADERS HAVE SINCE MADE ARRANGEMENTS TO DISCUSS THE MATTER AT GREATER LENGTH WITH THE MINISTER AND IT IS UNLIKELY, GIVEN THE PERSISTENCE OF DOUBLE-DIGIT INFLATION AND THE SUBSTANTIAL INCREASES WHICH THEIR WHITE COLLEAGUES IN THE MINING INDUSTRY RECENTLY RECEIVED, THAT THEY WILL WANT TO COMMIT THEIR MEMBERS TO REAL AND PAINFUL SACRIFICES WHILE PRIVATE SECTOR UNIONS AND OTHERS ARE LIMITING THEMSELVES TO MERE UNENFORCEABLE PROMISES ABOUT RESTRAINTS ETC.

3. COMMENT: IN PLACING PARTICULAR EMPHASIS ON SACRIFICES BY WAGE AND SALARY EARNERS, THE PRIME MINISTER HAS VIOLATED BOTH THE SPIRIT AND THE SUBSTANCE OF THE "COLLECTIVE PROGRAMME" WHICH CALLS FOR A WIDE RANGE OF SECTOR-BY-SECTOR MEASURES, ALL OF WHICH CALLS FOR A WIDE RANGE OF SECTOR-BY-SECTOR MEASURES, ALL OF WHICH WERE SUPPOSED TO BE ESSENTIAL TO SUCCESS. IN COMMANDEERING THE SUPPORT OF OVER 750,000 GOVERNMENT EMPLOYEES FOR THE FURTHER POSTPONEMENT OF LONG-AWAIED WAGE AND SALARY INCREASES HE HAS NOT ONLY SET THE STAGE FOR A FURTHER INCREASE IN THE ALREADY ALARMING RATE OF GOVERNMENT EMPLOYEE DEPARTURES FOR BETTER-PAYING JOBS IN THE PRIVATE SECTOR BUT HE HAS PUT THE LEADERS OF THE NORMALLY PRO-GOVERNMENT CONFED IN VERY DIFFICULT POSITIONS VIS-A-VIS THEIR MEMBERS. IN CALLING UPON HUNDREDS OF THOUSANDS OF LOW-PAID BLACKS TO JOIN IN MAKING "VOLUNTARY" SACRIFICES ON THE SAME BASIS AS WHITES HE HAS FURTHER DRAMATIZED THE SAG'S CHRONIC INDIFFERENCE TO THE PLIGHT OF THE COUNTRY'S UNORGANIZED AND DISFRANCHIZED MAJORITY. IN SHORT, BY MISINTERPRETING THE "COLLECTIVE PROGRAMME" IN SUCH A WAY AS TO RENDER IT SUBSTANTIALLY LESS ONEROUS FOR THE SAG AND THE EMPLOYERS THAN FOR WAGE AND SALARY EARNERS, HE HAS VIRTUALLY ELIMINATED THE SLIGHT POSSIBILITY THAT A VOLUNTARY INFLATON CONTROL PROGRAM, HOWEVER FAIR AND BALANCED, MIGHT SUCCEED AND HAS THEREBY ENSURED THAT HE WILL LIMITED OFFICIAL USE

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HAVE TO RESORT TO MORE BALANCED, COMPREHENSIVE AND DRASTIC MEASURES IF HE IS SERIOUS IN HIS DECLARED INTENTION OF BRINGING INFLATION UNDER CONTROL.
GUTHRIE

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